

Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-08 ISO-00 EB-08 COME-00 L-03 /026 R

DRAFTED BY OPIC/F: BMHENDERSON
APPROVED BY EB/IFD/ OIA:RJSMITH
EB/IFD/OIA:DHSTEBBING
AF/E:RBAKER (INFO)

-

-----160520Z 046171 /15

R 151908Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI

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FROM OPIC

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: BOARD MEETING USINE 10TH MARCH 77

PASS PARNELL FROM HENDERSON

FOLLOWING MESSAGE RECEIVED BY WERTHEIM FROM ARCHER.

REPORTED BY RIBANJE THAT THE GOVERNMENT ACCEPTED THE RECOM-
MENDATION OF MINAGRI RESULTING FROM JAN 7 MEETING THAT THE
WERTHEIM PROJECT CONTINUE PROVIDED SUFFICIENT PROGRESS MADE.
IN THE EVENT THAT INSUFFICIENT PROGRESS IS MADE THE THREE
COMPANIES WILL BE DISBANDED.

- 1) POWERS OF ATTORNEY PASSED
 - 2) CONTRACTS MOSS AND ALLES LEFT UNSIGNED FOLLOWING REASONS:
 - A) FACTORY DOES NOT YET EXIST AND TOO EARLY TO EMPLOY PER-
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SONNEL;

B) IF CONTRACTS SIGNED AND FACTORY DID NOT MATERIALIZE COM-
PANY LIABLE TO PAY;

C) ALSO REFUSED TO SIGN ON CONDITION CONTRACT ONLY BECOME
EFFECTIVE ON DATE OF COMMENCEMENT WORK IN RWANDA IF THIS

DATE PRIOR TO COMPLETION OF FACTORY. REASON: CONTRACT

ONLY APPLY TO JOB SPECIFIED I.E., GENERAL MANAGER OF FACTORY AND FACTORY ENGINEER.

D) WOULD NOT ACCEPT ANY DEVIATION THIS LINE INSISTING ANY WORK DONE PRIOR TO ACTUAL COMPLETION BY EITHER IN FORM OF FACTORY INSTALLATION ETC. SEPARATE MATTER. POINTED OUT ADVANTAGES USINE SAME PERSONNEL ON INSTALLATION AND IN FACTORY AFTERWARDS WITH NEGATIVE RESPONSE. FURTHER POINTED OUT COULD IN THAT CASE EMPLOY SAME PERSONNEL THIS SPECIFIC PURPOSE BUT WOULD REQUIRE FURTHER CONTRACTS AND WOULD PROBABLY COST MORE AND BE PAYABLE ONLY IN FOREIGN EXCHANGE AS WORK SHORT TERM, AGAIN WITH NEGATIVE RESPONSE.

3)A) ABSOLUTE REFUSAL BY RWANDANS ON BOARD TO ACCEPT LTP BACKED BY LETTER FROM MINAGRI. LOUDAN-SHAND LETTER VIRTUALLY IGNORED. RIBANJE STATED THAT AS FUTURE PURCHASER WERTHEIM SHARES HE WANTED CTC FACTORY.

B) WAS ACCUSED BY MUNYARUKIKO OF DELAYING PROGRESS WHEN SUGGESTED I SHOULD ABSTAIN FROM COMMITMENT TO LTP IN ORDER THAT RESOLUTION BE PASSED ACCEPTING CTC.

C) AT ONE POINT RIBANJE THREATENED TO WITHHOLD MARKETING PENDING FAVORABLE RESOLUTION ACCEPTING CTC.

D) AT END MEETING RIBANJE SAID IF BOARD HAD PASSED RESOLUTION 3 TO 2 ACCEPTING LTP, HE WOULD HAVE CALLED GENERAL LIMITED OFFICIAL USE

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ASSEMBLY IN WHICH BRD WOULD BE MAJORITY SUBSCRIBED SHAREHOLDERS AND REJECT IT.

4) HE ALSO TRIED TO IMPLEMENT RESOLUTION COMMITTING COMPANY TO ORIGINAL ESTIMATED COMPLETION DATE OF LIST (1ST) JAN 78 AS PER RESOLUTION OF 19TH APRIL 76 MEETING.

5) HE ALSO CLAIMED AT ONE POINT COMPANY JUDICIALLY AT FAULT IN NOT BUYING GREEN LEAF ON FORMATION AS PER JOINT VENTURE AGREEMENT.

6) ALSO THREATENED TO INVOKE CLAUSE IN SALES CONTRACT RELATING TO NATIONAL BANK APPROVAL AS WRITTEN.

I SEE NO POSSIBILITY OF ACCEPTANCE LTP BY RWANDANS PARTICULARLY IN VIEW OF MINAGRI LETTER SHORT OF DIRECT INTERVENTION BY HEAD OF STATE. IF YOU EQUALLY ADAMANT DIFFICULT TO FORSEE HOW PROJECT CAN CONTINUE. AM CONVINCED THAT EVEN IF LTP QUESTION RESOLVED FURTHER PROBLEMS WOULD CONTINUE TO

BLIGHT PROJECT PERPETRATED IN THE MAIN BY RIBANJE AND

MUNYARUKIKO (WHO BLATANTLY CREATES DIFFICULTIES ON TRIVIAL MATTERS). IT IS MY FIRM RECOMMENDATION THAT YOU CLEARLY DEMONSTRATE SHOULD YOU WISH TO CONTINUE THAT THERE HAS BEEN AMPLE OPPORTUNITY TO DISCUSS THE QUESTION OF LTP SPECIFICALLY USING LETTER TO RIBANJE AFTER SEPTEMBER VISIT 76 AS AN EXAMPLE OF YOUR WILLINGNESS AT THAT TIME TO DISCUSS ALL ISSUES RELATING TO CONSTRUCTION AND MACHINERY, ALSO POINTING OUT THAT HAD YOU NOT PROCEEDED EVENTUALLY AS YOU DID, EVEN NOW NOTHING WOULD HAVE BEEN READY AND THAT THE FACTORY WOULD THEREFORE HAVE BEEN FURTHER DELAYED. SIGNED ARCHER. END QUOTE.

HENDERSON SUGGESTS PARNELL CONSIDER PHONING TO EMBASSY KIGALI TO ASK THEIR ASSESSMENT OF PROJECT STATUS AND NEXT LIMITED OFFICIAL USE

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STEPS. DO YOU HAVE ANY PRELIMINARY COMMENTS? WERTHEIM THINKS THIS THROWS THE PROJECT INTO DOUBT AGAIN AND IS UNWILLING TO PROCEED TOWARD DRAWDOWN. DECONTROL UPON RECEIPT. VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PUBLIC CORRESPONDENCE, PROGRAMS (PROJECTS), INVESTMENT OPPORTUNITIES
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE057312
Document Source: CORE
Document Unique ID: 00
Drafter: BMHENDERSON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770089-0683
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770356/aaaabxar.tel
Line Count: 144
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4df880b7-c288-dd11-92da-001cc4696bcc
Office: ORIGIN OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3097735
Secure: OPEN
Status: NATIVE
Subject: BOARD MEETING USINE 10TH MARCH 77 PASS PARNELL FROM HENDERSON FOLLOWING MESSAGE RECEIVED BY WERTHEIM FROM ARCHER
TAGS: EFIN, BTIO, KE, OPIC, (PARNELL, TODD), (WERTHEIM)
To: NAIROBI
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/4df880b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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22 May 2009
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